



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

July 15, 1998

Barry Katona
Centurion Mines Corporation
860 South 500 West
Salt Lake City, Utah 84110

Re: Withdrawal of Tentative Approval of Large Mining Operations, Centurion Mines Corporation's
OK Copper Mine, M/001/039, Beaver County, Utah

Dear Mr. Katona:

On March 31, 1997, the Division granted Tentative Approval of Centurion Mining Corporation's (Centurion) Notice of Intention to Commence Large Mining Operations. Before we could issue final approval of the large mining notice, we had to receive approval of the form and amount of reclamation surety from the Board of Oil, Gas and Mining. Centurion requested that the Division present the matter before the April 1997 Board Hearing; however, the required surety was not posted at that time. The Board granted conditional approval of the *proposed* form and amount of surety for Phase 1 of the OK Copper project. The Board directed Centurion to post the surety prior to commencing large mining operations, or no later than December 31, 1997. If the surety was not posted by December 31, 1997, the operator would have to go back before the Board at a de novo hearing to again request their approval of the form and amount of the surety.

To date, Centurion has failed to post the required reclamation surety and the Board's December 31, 1997 deadline has passed. Therefore, the Division hereby withdraws its tentative approval decision for this large mining project. The mine was originally approved as a small mine (less than five (5) acres of disturbance). Because the large mine permit application process has never been finalized, the mine will now revert back to a small mine status. It is our understanding that the existing surface disturbance under the original small mine permit remains under five (5) acres. The file number will now return to S/001/039.


Centurion Mines Corporation has recently changed its corporate name to Grand Central Silver Mines, Inc. We understand that Centurion wishes to transfer their original small mining permit to a new company, Nevada Star Resource Corporation. Nevada Star has expressed an interest in using/acquiring Centurion's large mining notice of intention that was tentatively approved by the Division. Because Centurion's large mine tentative approval has been rescinded, Nevada Star will have to refile the application as the new operator if they wish to expand beyond the five acres of this small mining permit.

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Barry Katona
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If you have any questions regarding this letter, please contact me, Wayne Hedberg or Tom Munson of my staff.

Sincerely,


Lowell P. Braxton
Director

jb
cc: Rick Havenstrite, Nevada Star
M001039.ltr